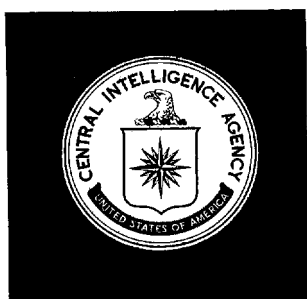


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# Bolivia Handbook

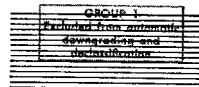
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## INTRODUCTION

In the first century and a quarter of its existence, Bolivia's chaotic political system and stagnant social structure kept the nation in the backwaters of Latin American life. The Chaco War (1932-35) gave rise to a political awakening that led to a revolution which, in the period after 1952, brought about a series of irreversible societal changes.

While revolutionary social reforms became institutionalized, the revolutionary political party (the Nationalist Revolutionary Movement - MNR) did not. After an auspicious early period in power, the party fell victim to [REDACTED] and inefficiency and to internal ideological and personal disputes. By 1964, the MNR, having lost its revolutionary zeal and much of its mass support, had resorted to the time-honored tactics of electoral manipulation and repression. It was overthrown in November 1964, and the accession of Air Force General Rene Barrientos to the presidency ushered in a period of authoritarian stability. Barrientos' accidental death in 1969 was the beginning of the political cycle in which Bolivia remains today.

Barrientos' constitutional successor, Luis Adolfo Siles Salinas, was quickly ousted by General Alfredo Ovando. He in turn was overthrown just over a year later, and Juan Jose Torres assumed the presidency. Under Ovando and Torres, the country drifted to the left. Relations with the US deteriorated, and contacts with the Communist world increased. These trends were reversed in August 1971, when dissident military officers allied with elements of the MNR and its old arch-enemy, the Bolivian Socialist Falange, to launch a revolt that ousted Torres after a bloody battle in the streets of La Paz.

Led by Colonel Hugo Banzer Suarez, the new Nationalist Popular Front government moved Bolivia back to a moderate political track. Having accomplished the considerable feat of staying intact and in power for over a year, the governing coalition was in late 1972 just beginning to come to grips with fundamental economic problems that pose a constant threat to orderly progress and stability.

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GEOGRAPHY

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## I. GEOGRAPHY

### Location and area

Landlocked Bolivia is located between the Equator and the Tropic of Capricorn in the north-south center of the South American continent. The country is bordered on the north and east by Brazil, on the south by Argentina and Paraguay, on the southwest by Chile, and on the northwest by Peru. With an area of approximately 424,000 square miles, almost equal to the combined areas of Texas and California, Bolivia is the sixth largest nation in Latin America.

### Topography

The Andean mountain system dominates Bolivian terrain and is primarily responsible for the country's three distinct topographic regions. In the west is the Altiplano, an extensive high mountain plateau embraced by the two great Andes ranges. Average elevation on the Altiplano is over 12,000 feet, and the surrounding peaks rise to 19,000 feet. Over the Andes to the east lies an intermediate zone of mountain valleys; the steeper and narrower northern portion is known as the Yungas. Elevation in this transitional zone ranges down to 1,600 feet. The remainder of the nation, about two thirds of the land area, consists of eastern plains. This vast lowland region descends to 300 feet in elevation. From north to south it includes tropical forests, grass and grazing lands, and the semi-arid Gran Chaco.

### Climate

Bolivia is located entirely within the tropics, but its topography causes major regional differences in temperature and precipitation. There are distinct wet and dry seasons in all areas, with most precipitation occurring during the summer months (December through February). The Altiplano is relatively cold and dry year round. Mean daily maximum temperatures fall between 60 and 70 degrees fahrenheit, while mean minimums are mainly in the 30s and 40s. Mean monthly precipitation ranges from less than an inch in winter to over four inches in summer. Snow, which falls frequently above 17,000 feet, occurs occasionally on the Altiplano, but usually melts soon after falling. Lowland summers are generally hot and humid, while in the winter months (June through August) it is warm to hot and dry. Mean daily maximum temperatures run mostly in the 80s, with mean minimums in the 60s. Mean monthly rainfall is over seven inches in the summer and only two inches in winter.

### Human resources

Bolivia's population of approximately 4,832,000 is growing at an estimated rate of 2.5% per year. Children under 15 years of age make up about 43% of the total populace. With a population density of only about 11 persons per square mile, the country is one of the least densely populated in South America. The population is distributed unevenly throughout the national territory, however. Approximately 56% of the people live on the Altiplano, an area that makes up 16% of the total land surface. Only 15% of the people live in the eastern two thirds of the nation.

Fifty to seventy-five percent of Bolivia's people are Andean Indians, the highest proportion of Indians in any South American nation. There is general disagreement over the exact numbers of Indians and the extent of racial mixture because socio-cultural rather than physical characteristics have become the primary determinants of racial classification. Mestizos and whites make up the bulk of the non-Indian population. Negroes, mulattoes, and other racial groups constitute insignificant minorities.

Spanish is the nation's official language, and it is used by most whites and mestizos, who reside mainly in the urban areas. Most Bolivians, however, speak one of two Indian languages, Quechua or Aymara. Many Indians have acquired at least some knowledge of Spanish, however, and a sizable proportion of the normally Spanish-speaking mestizo population is bilingual.

### Natural resources

Although Bolivia is well endowed with natural resources it is one of the poorest nations in Latin America. It is the world's second largest producer of tin and an important source of antimony, lead, zinc, and tungsten. Bolivia also has what may be one of the world's largest iron ore deposits, but this resource is largely unexploited. Proven and probable reserves of crude petroleum total about 200 million barrels and those of natural gas about three trillion cubic feet. Both are being exploited, and new exploration is under way. Hydroelectric power plants supply about 85 percent of electric power output, but much hydroelectric potential is still undeveloped and power output is inadequate. Only 30 percent of the population is served by electricity. Bolivia has extensive forests, but most of the land is too high, dry, rugged, or inaccessible for easy farming. Although the country has a low population density it ranks among the lowest in Latin America in cultivated land per capita. Bolivia's failure to develop its resources is due not only to inhospitable terrain, a landlocked location, and an inadequate transportation system, but to a history of inept governments, civil disturbances, and a severe shortage of managerial and technical skills.





## II. ECONOMIC BACKGROUND

### Growth rate and trends

Bolivia is one of Latin America's poorest, most backward countries. Its per capita Gross Domestic Product (GDP) is about \$290, the lowest in South America.

Following the national revolution of 1952, rampant inflation and declining production hit the economy. A harsh stabilization program implemented in the period 1957-61 brought inflation under control and facilitated the sustained growth of real GDP. Economic growth averaged about 5 percent during the period 1961-66 and rose to 8 percent annually during the following two years. A sharp drop in the growth rate was registered in 1969, when real GDP increased only 4.7 percent. Renewed political instability, stagnating exports, the drying up of foreign and domestic private investment, and reduced public expenditures and foreign assistance contributed to the decline.

Record high world metal prices in 1970 helped offset the sharp decline in petroleum production that followed nationalization of the Bolivian Gulf Oil Company in late 1969, but gross domestic investment declined sharply, key metal exports stagnated, and real GDP increased only 2.1 percent for the year.

Political uncertainty and negative government policies toward private domestic and foreign investment helped keep industrial and business expansion almost nil in the first half of 1971. A military-civilian revolt brought a new regime to power in August, however, and the interests of the private business sector were represented in a coalition government. By the end of the year, 1971 showed a mild economic upturn, with real GDP increasing an estimated 3.8 percent. A recovery in petroleum production was largely responsible for this upturn.

So long as the political scene remains stable, significantly increased foreign assistance, a government public works program aimed at reducing unemployment and stimulating general economic activity, the completion of a natural gas pipeline to Argentina, and a limited revival of business confidence provide the ingredients for an economic upswing in 1972.

### **Income distribution**

National wealth and personal income are low. Distribution is inequitable, though probably less so than in many Latin American countries. The standard-of-living gap between the relatively well-to-do eastern lowlands and the rest of the country is wide. Agricultural pursuits are the chief source of livelihood for well over half the labor force. Since many Indians do not engage in agricultural production beyond the subsistence level, much of the rural population participates only marginally in the money economy.

The limited proportion of the population in blue-collar, white-collar, and service occupations reflects Bolivia's lag in the creation of diversified sources of employment. Moreover, in 1972 over 20 percent of the estimated 2.5-million-man labor force was unemployed, despite an aggressive government public works program. About 50,000 new job seekers enter the labor market each year.

As the nation's largest employer, the central government plays a key role in the determination of wage and salary scales. Pay scales are computed according to complex formulas that vary according to occupation and tenure. They generally include base pay, legally required fringe benefits, cash supplements, employer social welfare payments, and other supplementary benefits. Since 1952, the importance of base pay has decreased relative to the other categories. The legal applicability of the minimum wage is vague, but it is generally paid to unskilled and inexperienced workers in all sectors except agriculture and domestic service. Average earnings are difficult to calculate because of wide variations among different localities and occupations, but wage rates tend to be higher in mining, manufacturing, and transportation than in construction, services, and commerce. Average salaries and wages in private manufacturing industries are substantially higher in La Paz and Santa Cruz than in most other areas.

A new monied class has appeared since 1952. It is composed of a few wealthy families whose holdings were not altogether lost after the national revolution, a fresh generation of successful professionals and businessmen, and some political and military leaders who have attained positions of power and influence.

### **Main sectors of the economy**

The Altiplano produces potatoes, quinoa (an Andean grain), and barley. Coffee, fruits, and vegetables are grown in the Yngas, while the irrigated

Cochabamba Valley area produces wheat, corn, and dairy products. The eastern lowlands produce rice, sugar, cotton, and beef.

Agricultural production began to decline in 1952, apparently as a result of the rapid and extensive redistribution of land. The trend was not arrested until the mid-1950s. Production did not rise to prerevolutionary levels until late in the decade. Since then, production of basic food crops has generally stagnated, but commercial production of sugar, cotton, beef, and coffee has expanded significantly.

Primitive farming methods impede agricultural development. Despite the fact that agriculture employs over half the labor force, it contributes only about one fifth of the GDP, and falls well short of meeting the nation's food requirements. It is the least efficient in South America.

Since the national revolution's agrarian reform, most farmland on the Altiplano and in the Cochabamba Valley has been divided into a large number of owner-occupied plots. Although there are some larger landholdings in the eastern lowlands, many farms are too small to provide more than bare subsistence, and modern farming equipment and techniques are generally lacking.

Bolivia is an exporter of mineral raw materials and an importer of semifinished and finished metal products, machinery, and equipment. Mineral ores, concentrates, and refined metals account for over three fourths of the country's export earnings. Tin alone accounts for half.

Mineral production and marketing are hampered by underdeveloped smelting facilities, the unfavorable physical location of deposits, and difficult transportation problems. Unlike the easily exploited alluvial tin deposits of the Eastern Hemisphere, most Bolivian tin must be taken underground from narrow veins in hard rock. High mineral production costs contribute toward making the entire economy extremely sensitive to even small changes in world market prices.

Over half the mineral production, processing, and export operations is controlled by the state-owned mining enterprise COMIBOL. Illustrative of the type of problems faced by this agency is the fact that only 35% of its work force are miners; the other 65% work on the surface. The reverse proportion holds true in privately owned mines. In an effort to reduce the influence of radical labor unions and improve COMIBOL's performance the government decentralized the agency's technical and administrative operations in late 1971.

Plans for developing the mining sector emphasize the diversification of mineral production, the introduction of domestic processing facilities, the recovery and upgrading of tin wastages, and the intensification of geological exploration. Smelters and volatilization plants for tin, and smelters for other minerals are in various stages of planning, construction, or operation. All new smelting operations are reserved for the state.

Petroleum and natural gas are important exports. Petroleum production grew substantially between 1966-69, but suffered a severe setback after the nationalization of the Bolivian Gulf Oil Company in late 1969. A compensation agreement was reached in late 1970. Production recovered significantly in 1971, when it reached almost 13.5 million barrels, but it still was below pre-nationalization levels. The state petroleum company YPFB owns and operates all refining facilities, and these are adequate for the country's needs. More than 80 percent of the nation's hydrocarbon production takes place in the eastern lowlands. Exploration for new oil deposits near the Altiplano population centers has high priority. A natural gas pipeline from Santa Cruz to Yacuiba on the Argentine border, which was completed in early 1972, should result in exports worth \$12-14 million annually and provide the revenue for compensation still due Gulf.

Most Bolivian manufacturing and construction are in private hands. About half the manufacturing capacity is in the La Paz area; other industrial areas are Cochabamba, Santa Cruz, Sucre, and Oruro. The manufacturing sector has grown rapidly, but it faces the problems of a small domestic market, inadequate management skills, a scarcity of skilled labor, outdated equipment, and high transportation costs. Membership in the Andean sub-regional economic group should help broaden the market for Bolivian products, but it will also subject Bolivian industries to increased competition. Small scale food and beverage industries are most prominent in the manufacturing sector, followed by textile and apparel production, leather goods, glass, ceramic, and cement.

#### **Bolivian Mineral Processing Facilities**

<u>Facility and Location</u>	<u>Status</u>	<u>Country Providing Financing and/or Construction, Equip- ment, etc.</u>
Tin Smelter - Vinto	operative	West Germany
Antimony Smelter - Vinto	late planning	Czechoslovakia
Tungsten Smelter - Vinto	discussion	Czechoslovakia

Zinc Smelter - undetermined	planning	USSR
Bismuth Smelter - Telamayu	operative	Belgium
Tin Volatilization Plants		
Potosi	late planning	USSR
Oruro	initial agreement	USSR

### Transportation and communications systems

Bolivia's transportation and communications systems, among the poorest in Latin America, are barely adequate to meet the needs of the nation's economy. The systems are unevenly developed; the most modern facilities are on the Altiplano.

The rail system is the most important mode of transport and, although rudimentary, it is generally sufficient for the level of economic activity it must handle. There are 2,310 route miles of single track, practically all of which is meter-gauge. Except for one 60-mile line, the railroads are government owned and operated. Railroad connections permit access to the Chilean Pacific Ocean ports of Arica and Antofagasta. Rail transport to Atlantic ports is provided by connections with Argentine and Brazilian lines. Bolivian passenger trains are operated on regular schedules, but freight runs are made only as needed. The country is still not linked by rail. There is no link between Santa Cruz and Sucre or Cochabamba, and the western and eastern rail systems are separated.

Bolivia has an estimated 16,000 miles of highways, of which 6,500 are unimproved earth and only 600 paved concrete or bituminous. There are few bridges over fordable streams. Vehicle inventory is about 48,000. Over half the motor transport is registered in the La Paz area.

Navigable waterways total about 6,250 miles and provide the major (and often the only) means of reaching many sparsely settled areas. There are three separate fluvial systems: the Altiplano's Lake Titicaca region; the Amazon tributaries in the north and west-central areas; and the Rio de la Plata in the south. The Rio de la Plata system provides water-borne access to the Atlantic. Inland waterways are normally used in their natural condition. Most are subject to drastic seasonal variations.

Six foreign carriers and the Bolivian national airline (Lloyd Aereo Boliviano - LAB) provide regularly scheduled flights connecting Bolivia with 19 cities in 13 countries. LAB is 75 percent state-owned, with the remainder of the company's shares held by domestic and foreign private interests,

including Braniff International. Domestic air service is provided by LAB, by the air transport arm of the air force (Transportes Aereos Militares - TAM), and by several private cargo lines. Although airports are relatively primitive, civil aviation plays an important role in the economic life of the nation.

Bolivia has the least developed telecommunications system in South America. Radio and television broadcast service is poor, telecommunications facilities are inadequate to meet national needs, and there is a chronic shortage of trained engineers and technicians. Municipally owned and operated telephone systems provide local telephone service only in major cities. There is no extensive intercity domestic wire line network. Nearly all intercity telephone traffic is transmitted via radio-telephone circuits. Direct radio-telephone or radio-telegraph circuits are available to Chile, Argentina, Brazil, Paraguay, Uruguay, Peru, and the US. Construction of a microwave network linking La Paz, Oruro, Cochabamba, and Santa Cruz is scheduled to begin in 1972. There are about 80 radiobroadcast stations, including 16 FM stations, and some 750,000 radio receivers. There is a single TV station.

#### **Economic policy and financial system**

Since 1952, Bolivia has emphasized public ownership of major economic enterprises. Political considerations have generally outweighed economic objectives, both in fiscal policy and in the management of state enterprises. The public enterprises have incurred large financial losses and are generally dependent on central government subsidies. Only since 1969 have public enterprises been required to pay taxes other than export levies or to transfer profits to the national treasury. Even so, only the National Petroleum Corporation and the state-owned match factory have been able regularly to contribute part of their earnings to the central government.

President Barrientos (1964-69) was able to improve the efficiency of the state enterprises, but this trend was reversed during the Ovando and Torres regimes (1969-71). The leftward political drift of the latter governments resulted in economic policies featuring the nationalization of foreign and domestic businesses and the destruction of the favorable climate for foreign investment. The moderate coalition government that came to power in August 1971 included representatives of the private business sector, and President Banzer reversed the anti-business trend of the two previous regimes. Moreover, extreme leftist labor leaders were either jailed or exiled, and union participation in the management of state enterprises was eliminated. A new law on domestic and foreign private investment contained important incentives and guarantees for investors. The government continued to maintain that state economic planning and control were necessary, however, especially in the basic industries sector.

Government fiscal performance improved markedly in 1970, but deteriorated sharply in the first eight months of 1971 as a slowdown in revenue growth coincided with a steep increase in expenditures. By August a budget deficit of some \$40 million (30 percent of expenditures) was in prospect for the year. The Banzer government elected to use US, other foreign, and international financial aid in a public sector investment program designed to stimulate economic growth and expand employment opportunities. The regime also managed to reduce the 1971 deficit to about \$35 million, but this recovery was financed through increases in the floating debt and central bank borrowing. Public expenditures have exceeded revenues each year since 1952, and they seem likely to continue to do so in the future.

Monetary management in Bolivia is carried out through regulation of the banking system. The system consists of the Central Bank, the State Bank, 14 foreign and domestic private commercial and savings banks, and four specialized banks. A number of non-bank institutions also carry out credit operations, and in some cases receive deposits as well. The Central Bank is responsible for determining and implementing monetary policy; the State Bank, with over 40 branches, is by far the largest commercial bank. Two of the four specialized banks, the Industrial Bank and the National Mortgage Bank, are privately owned. The Agricultural and Mining Banks are owned by the state. The Bolivian Development Corporation (CBF) is the largest non-bank financial intermediary, and the National Housing Council (CONAVI), which constructs low-income housing, also extends credit.

#### **Major State Enterprises**

Corporacion Boliviana de Fomento (CBF) - Bolivian Development Corporation  
Corporacion Minera de Bolivia (COMIBOL) - Bolivian Mining Corporation  
Empresa Nacional de Fundiciones (ENAF) - National Smelting Enterprise  
Yacimientos Petroliferos Fiscales Bolivianos (YPFB) - State Petroleum Company  
Compania Yacibol BOGOC Transportadores (YABOG) - State Natural Gas Transportation Company  
Lloyd Aereo Boliviano (LAB) - Lloyd Bolivian Airline  
Empresa Nacional de Ferrocarriles (ENF) - National Railroad Enterprise

#### **Foreign trade**

The Bolivian economy is heavily dependent on foreign trade. Consumer goods, which make up about two fifths of imports, consist largely of



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foodstuffs, pharmaceuticals, textiles, home appliances, automobiles, and spare parts. Although dependence on tin as a source of exchange earnings has declined in recent years, tin still accounts for about 50 percent of total export proceeds. In 1971 the value of tin shipments rose 7 percent to about \$104 million, despite a slight decline in the world market price. With the exception of zinc, however, all non-tin metal exports substantially declined in value. Falling production and an unfavorable world price situation were responsible. Other important Bolivian exports are petroleum, sugar, coffee, cocoa, hides, and wool. Natural gas should become a significant export in 1972.

Growing foreign trade helped the country's economic growth during the 1960s, but declined in 1971. A \$28-million trade surplus in 1970 was succeeded by a \$12-million deficit in 1971.

The US is Bolivia's most important trading partner; it purchases about 39 percent of Bolivian exports and supplies over 40 percent of its imports. Although Great Britain supplies over 5 percent of Bolivian imports, it buys 46 percent of Bolivian exports. Western Europe, Japan, and the rest of Latin America are also important trading partners. Exports to the USSR and Eastern Europe began to be substantial in 1970.

Bolivia maintained a unified exchange rate of 11.88 pesos to the US dollar from 1959 to 1972, when the peso was devalued and the rate became 20 to the dollar. The exchange system is free of multiple currency practices and of restrictions on current and capital payments. Surrender to the Central Bank of export earnings is compulsory, with the deductions permitted only for transportation and insurance costs, refining charges abroad, and export duties. Some private and all public sector imports require prior authorization from the Ministry of Commerce and Industry. Import payments must be made through the Bolivian banking system.

Bolivia is a member of the Latin American Free Trade Association (LAFTA), a signatory to the Cartagena Agreement (Andean Pact), and an adherent to the Fourth International Tin Agreement.

### **Balance of payments**

During the early 1960s, Bolivia's over-all balance of payments improved considerably. An \$18-million surplus was achieved in 1964, followed by a smaller but still significant surplus the following year. But an almost negligible surplus in 1966 was followed by a \$9-million deficit in 1967. There was a marked improvement in 1968, and the balance of payments

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continued near equilibrium in 1969. A small setback was recorded in 1970, and there was a serious deterioration in 1971. The 1971 current account deficit amounted to \$71 million, \$43 million more than the previous year. At the same time, however, the surplus on the capital account increased to \$53 million as a result of increased loan disbursements to the public sector, a repayment to Bolivia from the Tin Buffer Stock, and a reduction in short-term capital outflow. The over-all balance of payments deficit for 1971 was about \$18 million.

Net foreign reserves of the banking system, which had fallen to near zero by the end of 1962, recovered to about \$33 million by the end of 1969. Reserves rose to \$37 million in 1970, when Bolivia utilized \$4.9 million in Special Drawing Rights (SDR) of the International Monetary Fund. Despite a second SDR allocation of \$4 million in 1971 and an input of about \$7 million in US aid, foreign reserves fell to \$34 million by the end of the year. A third SDR allocation of about \$4 million was entered on Central Bank accounts in January 1972.

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POLITICAL  
SITUATION  
AND TRENDS

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### III. POLITICAL SITUATION AND TRENDS

#### Historical summary

Independence movements in what is now Bolivia began in the early 19th century, and in 1809 Upper Peru became the first Spanish colony in the Americas forcibly to sever its ties with the mother country. Spanish rule was quickly reimposed, however, and it was not until 1825 that Simon Bolivar's forces, under Marshal Antonio Jose de Sucre, finally liberated the colony. The last of Spain's South American possessions to achieve independence, Upper Peru became the Republic of Bolivia on 6 August 1825.

The new country's national life was to be dominated by a small Spanish-speaking white and mestizo elite. The Aymara- and Quechua-speaking Indian majority led an oppressed, segregated life of its own. The frequent changes in government were often violent, and military dictatorships were common. Although lip service was paid to peaceful democratic methods, there was only a tenuous reliance on constitutional procedures to bring about change. Mob violence became the usual method for securing redress of grievances, and heavy-handed government repression was standard operating procedure.

The Chaco War (1932-35) provided impetus for political and social change. Indians joined their white and mestizo countrymen in the front lines. They came to doubt the "white man's" previously unquestioned superiority and began to resent the inequities that their people had suffered for generations. Humiliating defeat at the hands of Paraguay shocked the Bolivian intelligentsia and exposed the country's advanced state of governmental corruption, military ineptitude, and institutional decay. Younger army officers decided to take over, and in May 1936 a coup brought Colonel David Toro to power. In pursuit of "gradual socialism" Toro launched a number of reform measures before he was ousted by Lt. Col. German Busch in July 1937.

Busch helped foster the growth of the labor movement, but his life ended in August 1939, before he could implement his announced intention to establish a planned economy with broad state controls. Busch's death, an apparent suicide branded as murder by his supporters, brought the immediate post Chaco War reformist period to an end. A junta of old-line officers took power, and generals Quintanilla and Penaranda held the presidency in succession.

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The ideological ferment of these tumultuous years produced a number of new political parties. One, the Nationalist Revolutionary Movement (MNR) allied itself with a secret fascist-oriented military lodge called the Cause of the Fatherland (Razon de Patria - RADEPA), whose members were moving into key army posts.

Given new force by unionization, miners' resentment of their working conditions led to a strike at Catavi in December 1942. The government backed the mineowners' efforts to break the strike by sending troops to subdue the miners. The result was the infamous Catavi massacre, in which men, women, and children were machine gunned. The MNR's strong condemnation of the government's action helped enhance the party's growing standing with the working class.

In December 1943 the MNR-RADEPA alliance staged a coup that brought Major Gualberto Villarroel to the presidency. The new regime sponsored the strengthening of the trade union movement in the mines and made overtures to the Indian population. But the government resorted to severe repressive measures against its political opponents, who finally banded together to oust it in July 1946. The army failed to defend the regime from its enemies; a mob seized the President and hung him from a lamp post near the presidential palace on the Plaza Murillo. Villarroel became a martyr to both the military and the MNR, but each still blames the other for his fate. With Villarroel's death, the alliance between the MNR and the armed forces came to an end.

Purged of RADEPA, the military backed the new civilian junta government, while MNR leaders went into exile. Enrique Hertzog was elected president in 1947. His program of mild and gradual reform combined with repression of the opposition proved unworkable. The arrest and exiling of the mine workers' union leader and senator, Juan Lechin, in 1949 brought on another strike at Catavi and another bloody confrontation. The army subsequently put down an MNR revolt that had succeeded in gaining temporary control of some interior cities.

Hertzog resigned in favor of Mamerto Urriolagoitia, and the country prepared for national elections in 1951. The parties supporting the regime failed to unite behind a single candidate, while the MNR forged alliances with Trotskyists and Communists and strengthened its ties with the mine workers. With Victor Paz Estenssoro heading the ticket from exile, the MNR took a clear plurality of the vote, but fell short of the constitutionally

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required absolute majority. Urriolagoitia, determined to prevent the MNR-Communist alliance from taking power, refused to allow the newly elected congress to follow constitutionally prescribed procedures for choosing a president. Instead, he persuaded the army to form a junta and then he resigned. General Hugo Ballivian became president, but in less than a year the MNR, supported by the national police and armed mine workers, forcibly seized power in a bloody three-day battle in the streets of La Paz.

The triumph of the MNR and its allies marked the beginning of the first true social revolution in South America. Led by Victor Paz, the new government enfranchised the Indians, nationalized the three leading tin mining companies that had dominated Bolivian political and economic life since the turn of the century, and began to carry out a thoroughgoing land tenure reform program.

These reforms produced radical changes in national life, and the Indian took his place alongside the miner and the urban worker as a political force. MNR deputy leader Hernan Siles Zuazo succeeded Paz in the presidency in 1956 and tried to carry through a much-needed economic stabilization program. Paz returned to serve another term as president from 1960-64.

The MNR's basic reforms became increasingly institutionalized, in the sense that as time went on they became integral parts of national life and less subject to challenge. The MNR, however, failed to institutionalize itself as the nation's revolutionary party. The party had always been a coalition of interest groups, and once it attained power its various constituencies made strident and often conflicting demands. The centrifugal forces within the party were exacerbated by Paz' disinclination to share party or governmental power.

Corruption, violence, and inefficiency hampered the achievement of the MNR's original revolutionary goals, and the party began to lose both its reformist zeal and its monopoly of popular revolutionary ideals. By the time Paz stood for election again in 1964, the MNR was employing electoral manipulation, political payoffs, repression, and censorship to compensate for its waning popular support. Across the board, political fragmentation left the reconstituted armed forces as the strongest, most unified, force in the nation. On 4 November 1964, Paz was ousted by a group of officers led by his vice president, air force General Rene Barrientos Ortuno.

The charismatic Barrientos brought Bolivia relative political stability and a measure of economic progress. The President enjoyed immense personal popularity, especially among the campesinos, and the reforms of the

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MNR were never endangered during his tenure. Barrientos overshadowed his dour "co-president," General Alfredo Ovando, and was elected president in the national elections of 1966. His death in a helicopter accident in April 1969 began the political cycle in which Bolivia remains today.

Luis Adolfo Siles Salinas, the constitutional successor to the presidency, served only five months before being overthrown by General Ovando. Ovando nationalized the Bolivian Gulf Oil Company and allowed his government to take on a stridently "nationalist-revolutionary" tone. In so doing, he alienated more moderate military men. Dissident officers, led by General Rogelio Miranda, launched a coup in October 1970. Ovando was ousted, but the coup was poorly organized, and General Juan Jose Torres emerged as president from the ensuing confusion.

The plotting against Torres, that began almost immediately, intensified after the President's announcement that he intended to "deepen the revolution." His courtship of extreme leftist elements that had helped bring him to power further upset moderate military men. While Torres tried unsuccessfully to cement the active support of the labor- and student-dominated "popular forces," dissident officers made contact with elements of the MNR, the moderate rightist FSB, and the private business sector. Meanwhile, Torres nationalized two US-owned mining enterprises and expelled the peace corps. Bolivian-US relations deteriorated, and contacts between Bolivia and Communist countries increased.

By mid-August 1971 the anti-Torres forces were ready to make their move. Torres' decision to fight turned what was planned as a coup into a bloody military-civilian revolt. The bulk of the armed forces supported the rebels, and Hugo Banzer Suarez came to power as head of a coalition government on 22 August.

### **Structure and functioning of the governmental system**

The Banzer government, like its two predecessors, is a de facto regime, ruling by decree. The constitution, an amalgam of the 1947 and 1961 documents, was promulgated under Barrientos in 1967. It ostensibly remains in force, except where it has been contradicted by governmental action. President Banzer has indicated that a new constitution will be drafted eventually, but he has made clear that this will probably be a long process.

The 1967 constitution provides for a highly centralized government with separation of powers among an executive, a bicameral legislature, and a

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judiciary. President Ovando dismissed the legislature in 1969, and it has not met since. In mid-1971, however, President Torres allowed a "popular assembly"—a collection of delegates from leftist political parties and labor and student organizations—to meet in the legislative palace in La Paz. The Torres government was ousted while the "popular assembly" was in recess.

Although La Paz is the nation's de facto capital, the Supreme Court still meets in the official capital, Sucre. The 12-member court is supposedly invested with the power of judicial review in questions involving the constitutionality of laws, decrees, and resolutions, but this power has rarely been exercised.

The republic is divided into nine departments, each of which is subdivided into provinces. The departments are administered by prefects appointed by and responsible to the president. The president also appoints sub-prefects, who are responsible for provincial administration.

Decree laws are ostensibly submitted to the cabinet for approval prior to release, but it is difficult to determine to what extent this procedure is formalized. Consultations on proposed decrees are probably undertaken among the armed forces, the two political parties of the governing coalition, and private sector interest groups supporting the regime.

### **Political dynamics**

Prior to 1952, literacy and financial qualifications limited the Bolivian electorate to about 200,000. One of the MNR's first acts after assuming power was the establishment of universal and mandatory suffrage for all married persons over 18 years of age and all single Bolivians over 21. This introduced most of the adult Indian population to the ballot for the first time. In 1956, 950,000 persons voted.

Barrientos' death caused the cancellation of the presidential elections scheduled for 1970. President Torres promised to promulgate a new constitution and call for elections, but he had made no such announcements before he was overthrown. In early 1972, President Banzer declared that the "improvisation, demagoguery, and irresponsibility" of his two predecessors had caused such complete disarray in Bolivian institutional and economic life that it was too soon to set a date for the "constitutional normalization" of the country.

President Banzer has declared that he does not want to become a professional politician and has no intention of running for president under a

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future constitutional system. But he has added that the situation might be different if "civic necessity" called. Banzer is well aware that whoever can control the largely illiterate and politically unsophisticated campesino masses has effective control over presidential elections. Banzer has jealously guarded the Barrientos-inspired, military-campesino pact and has hindered the MNR's attempts to reassert itself in the countryside. In any case, assuming that the armed forces stay united behind Banzer and he remains in power, there appears little likelihood that he will call for elections soon.

25X6 [REDACTED] Many of the parties that have appeared on the Bolivian political scene since the late 1930s have been transitory groups centered on particular leaders and/or issues rather than enduring ideologically oriented movements. Only a handful have been able to develop the mass support and the infrastructure that makes a group truly worthy of the title, political party. Even now, many so-called groups are in reality no more than manifesto-issuing leaders without followers.

Aside from the armed forces, the Nationalist Revolutionary Movement (MNR) is probably the most cohesive organization in the country despite its shortcomings. It is the only party that has been able to garner mass support and hold it over a prolonged period of time. The Bolivian Socialist Falange (FSB) plays an important role in the Banzer government, but its actual base of popular support is thought to be limited. Some of the parties described below may have only historical importance, while others have the potential for revitalization. Bolivian parties have been known to lie dormant for years, only to reappear as political conditions change.

#### **The Nationalist Revolutionary Movement (MNR)**

The MNR was conceived by a group of middle and upper class intellectuals, including Victor Paz Estenssoro and Hernan Siles Zuazo, during the tumultuous years after the Chaco War. Early adherents to the movement were united by discontent, intense nationalism, and the desire to create a political party based on mass support.

In its formative years the party supported the reformist military governments of Toro and Busch and opposed the more traditional regimes of Quintanilla and Penaranda. The MNR had its first real taste of power a year after its formal organization when, in 1943, it allied with the fascist-oriented lodge of young military officers called Razon de Patria (RADEPA) to stage the coup bringing Major Gualberto Villarroel to power. Victor Paz served as finance minister in Villarroel's cabinet.

Villarroel was overthrown in 1946, and the party was forced underground. An attempted revolt from Santa Cruz was unsuccessful in 1949. The MNR emerged again to take part in the disputed national elections of 1951. The Urriolagoitia regime refused to follow constitutional procedures that would have brought the MNR-led alliance to power, and the government was instead handed over to a military junta under Ballivian.

The MNR plotted the junta's downfall, negotiated an alliance with General Seleme (the interior minister and chief of the Carabineros), and finally launched a revolt in La Paz on 9 April 1952. The regular army elected to fight for the junta, and the battle hung in the balance until the arrival of Juan Lechin's armed mine workers carried the day for the rebels. Victor Paz then returned from exile to assume the presidency and begin the far-reaching series of reforms that have come to be known as the Bolivian National Revolution.

The MNR had always been more an alliance of interest groups than a well-integrated party. Once in power, it attempted to cope with the sometimes competing demands of its components, but serious fissures developed and became increasingly apparent as time went on. The situation was exacerbated by the presence of a number of talented party leaders and Paz' determination not to relinquish or share power.

Siles became president in 1956 and began a much-needed economic stabilization program. He was bitterly opposed by Vice President Nuflo Chavez and Juan Lechin. When Walter Guevara Arze's presidential aspirations were frustrated by Paz' renomination in 1960, Guevara led a large personal following of right-wing *movimentistas* out of the party. Paz' acceptance of Lechin as his 1960 running mate ensured the continued loyalty of the party's left wing and helped hold what was left of the MNR together for another four years. In January 1964, however, much of the left broke away from the party when Paz refused to back Lechin for the presidency. Paz instead had himself nominated again and Lechin was expelled from the MNR.

Paz evidently felt that he could counter the loss of Lechin with the support of the by-then reconstituted armed forces. The popular commander of the air force, Rene Barrientos, failed in his bid for the vice-presidential nomination at the party's convention, but received it later after surviving an attempted assassination. The period following the election was one of increasingly violent manifestations of popular dissatisfaction with Paz. The

military, unwilling to serve as Paz' coercive arm, decided that direct rule was the only solution. The inevitable coup was led by Barrientos in November 1964. Paz fled the country and the MNR was left in complete disarray.

Intraparty disputes highlighted the ensuing seven years. Siles and Paz had become bitter enemies. Siles led a party faction called the MNR/U (unified), and the followers of Paz were known as the MNR/P (Paz Estenssorista). Yet another faction was called the MNR/I (left). Various pacts and declarations of unity failed to quell the basic personal rivalries and ideological disputes.

In 1971, while the Siles wing and leftist elements of the party flirted with the Torres regime, Paz' followers began to plot with dissident military officers and with the Bolivian Socialist Falange (FSB), an old archenemy. After the successful military-civilian revolt against Torres in August, Paz returned from his seven-year exile and the MNR gained a share of power through charter membership in President Banzer's Nationalist Popular Front. Siles, who had by then become identified as the leader of the party's left wing, remained in exile in Chile. He and his followers opposed the MNR's participation in the Banzer government on the grounds that it threatened to alienate what remained of the party's youth, labor, and peasant support.

Paz' steamroller tactics enabled him to dominate the party's national convention in early 1972, but internal problems persisted. Aggressive party figures such as Jaime Arellano claimed that those who had stayed and fought for the MNR during its years out of power were more deserving of the fruits of victory than the old-line party leaders who had returned from exile to assume party and government posts. A reformist group, led by Arellano, boycotted the convention and denounced its proceedings. Siles, ignored by the convention, lost his formal post of party sub-chief. As of mid-1972, the MNR was still suffering from factionalism. One group of party leaders formed the "Jaime Otero Calderon Cell" and agitated for the removal of Paz from his leadership post. Jaime Arellano's followers were attempting to accomplish the same goal, and the party's second sub-chief, Ciro Humboldt, led yet another faction. The MNR's situation was further complicated by the animosity of the armed forces toward party sub-chief Guillermo Bedregal and by Siles' claim to leadership of the "true" party from his exile in Chile.

Despite the splintering off of constituencies to form new parties on the MNR's right and left and continuing factionalism, the party has managed to retain some of its original mass appeal. This facility distinguishes it from its many small, highly personalistic, and more ephemeral rivals.

### The Bolivian Socialist Falange (FSB)

The FSB initially attracted the support of extreme rightists because of its popular identification with fascism, but the party actually stood for moderate social reform. During the MNR's years in power, the Falange was a formidable and sometimes violent opposition force. But unfulfilled expectations of participation in the Barrientos government exacerbated intra-party divisions. By the late 1960s bickering among its various factions, including a vitriolic left wing, brought the party to a state of such internal anarchy that it was no longer a significant factor on the political scene.

During the Ovando and Torres regimes, however, the party reorganized. The more extreme leftists were expelled or silenced, and the Falange began to project an image of right-of-center moderation. The opportunistic, somewhat eccentric, Mario Gutierrez returned from exile and semi-retirement in early 1971 to again take up the reins of party leadership. The FSB then established contact with the MNR and dissident military men and took part in the planning and execution of the revolt of August 1971.

Thus, for the first time since its founding in the mid-1930s, the Falange is an important participant in a Bolivian government. In fact, its influence is probably far out of proportion to its popular strength. The FSB's commitment to the alliance is, nevertheless, less than total. Party chief (and foreign minister) Gutierrez has echoed President Banzer's call for unity but, like MNR chief Paz, Gutierrez appears loath to see the FSB heed Banzer's urgings that individual party identities be submerged for the good of the Nationalist Popular Front.

The FSB's alliance with its long-time, arch-political enemy has undoubtedly caused some resentment among the party rank and file. Many Falangists had been fighting the MNR most of their adult lives. They can recall persecution by MNR governments, and they blame the MNR for the death of FSB founder Oscar Unzaga de la Vega during an abortive revolt in 1959. But Falange leaders have pledged to make the alliance work, and they appear to be trying to honor their pledge.

The FSB draws its support mainly from larger landowners, small businessmen, and professionals. The center of its strength is in Santa Cruz. Like most Bolivian parties, the Falange has an affiliated youth movement, but it seems unlikely that the party can ever recapture the considerable student strength it once commanded. The Falange now claims to stand for "Christian Socialism" based on the precepts of the papal encyclicals and other church documents.

### **Authentic Revolutionary Party (PRA)**

The PRA was formed in 1960 by Walter Guevara Arze, an MNR minister of government and close confidant of Victor Paz who opposed Paz' determination to seek a second presidential term. The PRA joined the Barrientista electoral coalition in 1966, and Guevara later served as foreign minister under Barrientos.

### **Nationalist Leftist Revolutionary Party (PRIN)**

Founded by then vice president Juan Lechin Oquendo in March 1964, the PRIN was an outgrowth of the leftist sector of the MNR. Lechin formed the party when MNR chief Victor Paz refused to support him for the presidency, instead insisting on running for a third term.

Lechin, who had long been the most important figure in the Bolivian labor movement, was exiled in May 1965 after he became a threat to the governing military junta. But President Ovando allowed him to return, and Lechin became head of the PRIN, the mine workers' union, and the Bolivian Labor Central. He was a prominent figure on the political scene during the Ovando and Torres regimes, although there were signs that his support among workers was deteriorating. He was elected president of the short-lived leftist "popular assembly" in mid-1971 and attempted to steer the Torres government further to the left. Lechin fled the country after the revolt of August 1971 and aligned his PRIN with the Chilean-based, Anti-Imperialist Revolutionary Front (FRA) of leftist Bolivian exiles. The PRIN has remained Lechin's personal vehicle, and its appeal is limited to those workers who still support him.

### **Leftist Revolutionary Party (PIR)**

The PIR, which came into being in 1940, was Bolivia's first Marxist party. A split in party ranks led to the formation of the Bolivian Communist Party (PCB) in 1950. Other PIR members defected to the MNR after 1952. Gradually the PIR moved further and further to the right until it became indistinguishable from the other small, relatively conservative parties that supported President Barrientos. Ricardo Anaya Arze has led the PIR since the mid-1950s.

### **Social Democratic Party (PSD)**

The PSD originated as a civic organization of intellectuals, and became a political party in 1946. It declined to participate in elections under the

MNR and came to be regarded as conservative. The party joined the Barrientista electoral coalition in 1966, and PSD leader Luis Adolfo Siles Salinas was elected vice president as Barrientos' running mate. Siles served as president for five months following Barrientos' death, but was ousted by General Ovando in September 1969. Siles reportedly had a marginal roll in bringing various dissident elements together to organize the military-civilian revolt against President Torres. In early 1972 the PSD was reportedly discussing the formation of a new political front with other small parties and civic groups.

#### **Barrientista parties**

The Popular Christian Movement (MPC), led by Hugo Bozo Alcocer, was created in late 1964 to serve as a political base for the presidential ambitions of then-junta co-president Rene Barrientos. The Bolivian Revolutionary Front (FRB), an electoral coalition of parties supporting Barrientos in the 1966 elections, was composed of the MPC, PIR, PRA, and PSD, as well as campesino and Chaco War veterans' groups. Barrientos became disenchanted with the PRB soon after the election because of the coalition's inability to end friction between its components. The Bolivian Revolutionary Party (PRB) was created in 1968 by a group of Barrientos' friends and relatives in an effort to form a single, cohesive, pro-government party. Most existing Barrientista parties declined the President's invitation to dissolve themselves and join the new party, however. Barrientos was killed the following year, and the PRB never really got off the ground.

#### **Bolivian Nationalist Union Party (PUNB)**

In November 1971 the PRA, MPC, PRB, PRN (Nationalist Revolutionary Party), and a number of small civic organizations announced that they had decided to form a new party. In January 1972 most of these groups (the major exceptions being the PRA and PRB) declared that they had abandoned their individual identities in order to form the PUNB. The new party shared the Banzer government's ideological position, but preferred to remain apart from the Nationalist Popular Front coalition in order to become simultaneously a constructive opposition force and an independent base of civilian support for the president and the armed forces. Ruben Arias Alvis (of the PRN) was appointed executive secretary of the PUNB in March 1972.

#### **Christian Democratic Party (PDC)-Revolutionary Christian Democratic Party (PDC/R)**

The PDC was founded in 1964 when the Social Christian Party (PSC) changed its name in order to prevent other groups from usurping the mantle

of Christian Democracy. The PSC had been formed some years earlier by Remo DiNatale. The PSC/PDC has customarily sought to portray itself as a "third world" between capitalism and Communism, but Christian Democracy has not been able to hold a large popular following in Bolivia. Most of the PDC's action-oriented youth movement split off in 1969 to form the Revolutionary Christian Democratic Party (PDC/R). PDC/R members have proved to be attracted to guerrilla methods; some joined the ELN-led guerrilla band that was active in 1970. Under the leadership of Dr. Benjamin Miguel Harb the PDC went into overt opposition to the Banzer government and issued strongly worded communiques on specific issues. Despite some internal opposition to Miguel's stance, the party has maintained "ideological purity" and seems determined to continue waiting for the peoples' call to govern.

#### **Leftist Revolutionary Movement (MIR)**

The MIR developed as an outgrowth of a successful university electoral coalition led by the PDC/R in early 1971. It was formally organized in May 1971 as an alliance of the PDC/R, the Spartacus Revolutionary Movement (a student Marxist group), and other "independent" Marxists. The MIR had little time to do more than make known its extreme leftist orientation and propensity toward violence before the August 1971 change of government drove it underground. The group affiliated itself with the leftist Anti-Imperialist Revolutionary Front.

#### **Bolivian Socialist Party (PSB)**

The PSB was formed in April 1971, when four well-known, leftist politicians decided to combine their personal mini-parties. The ingredients of the PSB were: the Revolutionary Workers Action Front (FARO) of Guillermo Aponte Burela; the new Revolutionary Leftist Union (UNIR) of Marcelo Quiroga Santa Cruz; the Bolivian Popular Action Party (APB) of Alberto Bailey Gutierrez, and the National Liberation Front (FLIN) of Mario Miranda Pacheco. FARO was a PRIN splinter group. The PSB tried unsuccessfully to dominate the "popular assembly" in June 1971. The party's leaders went underground or into exile following the military-civilian revolt in August. The PSB joined the leftist exiles' Anti-Imperialist Revolutionary Front (FRA) in late 1971 over the objections of Guillermo Aponte, who then launched a breakaway group.

#### **Police**

The MNR had controlled the Internal Security Organizations during its years in power. This structure was dismantled when the military ousted the

party in 1964. Police arms and equipment were confiscated by the armed forces, and the police have not since challenged the military for primacy.

Three semi-autonomous agencies now make up the national police agency of the Interior Ministry. The main uniformed police force is the 3,900-man National Guard of Public Security (GNSP), a successor to the *carabineros* of the MNR period. A 1,400-man police investigative unit, the National Directorate of Investigations (DIN), serves as a police detective force. The National Traffic Service has about 1,100 men.

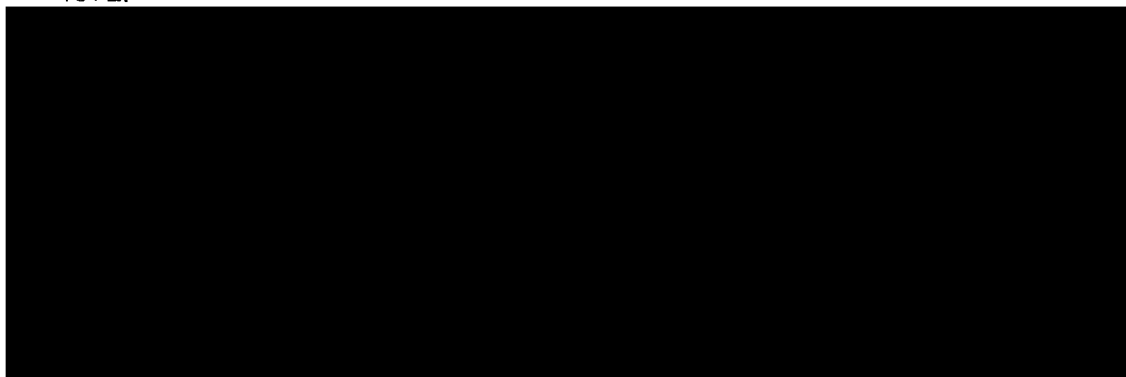
Lingering military resentment toward the police forces has occasionally spawned plans to make the GNSP a fourth branch of the armed forces a move that would bring it under the authority of the armed forces high command. Although military men (as opposed to career police officers) have often held top police posts, the national guard remains a separate entity.

Police effectiveness is hampered by the forces' lack of adequate arms, equipment, transport, and communications facilities. Inadequate coordination among the three services is another limiting factor. But some special riot control gear is available, and the US has provided training for police personnel. Internal training for all three police services is given at a National Police Academy.

The police remained neutral during the August 1971 revolt. They continued to carry out their regular patrol activities during the heavy street fighting in La Paz, thus helping to keep looting to a minimum.

About half of the total police strength is concentrated in La Paz, but the services maintain detachments in most major cities and towns. The government's potential effectiveness in the fight against illegal trafficking of narcotics and dangerous drugs has been enhanced by the concentration of law enforcement efforts in a special brigade of the GNSP formed in January 1972.

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SUBVERSION

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#### IV. SUBVERSION

##### Communist groups

Bolivia's first organized Marxist group was the Leftist Revolutionary Party (PIR), which was created in 1940. The Trotskyist Revolutionary Workers Party (POR) also became active in the early 1940s. The Communist Party of Bolivia (PCB) was founded in 1950 as the result of a split in PIR ranks. The new party joined the POR and the MNR in the anti-government activities that culminated in the national revolution of 1952.

The Communists then cooperated with the more leftist elements of the MNR, and by taking advantage of the latitude with which the MNR allowed it to operate, the PCB succeeded in heavily infiltrating the government, the MNR (especially its youth command), and other key sectors. The MNR was to become less tolerant of rival groups, however. A crackdown on leftist elements began in 1962 and intensified during the remainder of Victor Paz' tenure. In August 1964 long-standing personal conflicts and disputes over tactics combined to bring about a split in the PCB, which, with the backdrop of the Sino-Soviet dispute, led to the establishment of a pro-Chinese Communist Party (PCB/C) by the PCB dissidents. The remnants of the PCB became known as the pro-Soviet party (PCB/S). Both parties have since claimed to be the "real" PCB, each contending that the other is merely a dissident faction.

##### The PCB/S

Strong anti-Communist measures initiated by the Barrientos government in May 1965 disrupted the pro-Soviet Communist party, but in the national elections of July 1966 it was able to obtain 33,000 votes (3% of the total) for its electoral front (the National Liberation Front). Communist political activities were outlawed by the government in 1967 in reaction to the guerrilla campaign led by Che Guevara. Paradoxically, the PCB/S's failure to lend all-out support to the guerrilla band helped bring about Guevara's defeat.

The PCB/S operated openly during the Ovando and Torres regimes. It lent Torres tacit support on specific issues, while calling on all Bolivian leftist groups to unite in a popular front. The party tried unsuccessfully to assume a leadership position at the short-lived "popular assembly" in early 1971, but it was frustrated by the competition of other, more extreme leftists and

the refusal of the dominant labor representatives to subordinate themselves to any political group.

In July 1971, 174 accredited delegates attended the party's third national congress. The PCB/S defended its role in the 1967 guerrilla episode by holding that then party leader Mario Monje Molina had rightfully withheld support from Guevara because the Bolivian people would not back a foreign-led revolutionary movement. The congress declared that rural guerrilla groups were foreign to Marxist-Leninist thought and not within the tradition of the Bolivian proletariat.

Forced underground after the military-civilian revolt of August 1971, the PCB/S associated itself with the Anti-Imperialist Revolutionary Front (FRA), a coalition of leftist opposition groups. The PCB/S attempted to steer the FRA away from guerrilla/terrorist activities and toward an attempt to build strength in the mines, the factories, and the countryside in order to set the stage for a hoped-for mass popular uprising against the Banzer government.

The PCB/S is the largest of Bolivia's Communist groups, but it has never commanded a mass following. It has appealed to intellectuals, students, and workers (especially in the mines), but has lacked significant backing among the campesinos. Membership, a term that encompasses varying degrees of party activism, has probably never exceeded 5,000. In 1972 it was estimated that the figure was no more than 1,500. Jorge Kolle Cueto is the first secretary of the party's central committee. Other important leaders at the national level are Ernesto Natusch Munoz and Simon Reyes Rivera. All these men have received training in the USSR, which has long supported the party. The PCB/S in turn supports an affiliated youth wing, the JCB/S.

### **The PCB/C**

The PCB/C's main point of departure from its sister Communist Party is its emphasis on the role of armed struggle. Although the PCB/C has consistently advocated armed struggle, intense disagreements over tactics and timing have divided the party since its inception.

Party leader Oscar Zamora Medinacelli ("Major Rolando") for a time managed to control his more violence-prone followers. With Che Guevara's entrance onto the Bolivian scene, however, those favoring the immediate initiation of guerrilla activities could no longer be contained. Individual PCB/C members, such as Moises Guevara, violated party discipline to support

the Cuban-led effort. Zamora remained in control of the PCB/C, and although there was some contact between the party and Che Guevara's group, the PCB/C did not directly support it.

By 1970, though, Zamora had decided that the time was finally ripe for the party's active entrance onto the guerrilla warfare scene. In October, the Union of Poor Peasants (UCAPO), a PCB/C front group in Santa Cruz department, seized the Chane-Bedoya plantation. The new Torres government took the field against the guerrillas and, in February 1971, Zamora was captured and sent into exile. He re-entered the country clandestinely and made a spectacular public reappearance in June. Zamora vowed to continue the PCB/C's and UCAPO's fight against the Torres government, which Zamora labled as "fascist with a reformist facade."

In September 1971 the Banzer government announced that army troops had clashed with PCB/C and UCAPO elements in Santa Cruz and that guerrillas affiliated with these groups were being hunted down. Few details of these skirmishes were made public, and it is doubtful that organized guerrilla bands were involved. In November 1971, PCB/C members in exile helped form the FRA and encouraged it to launch a guerrilla campaign.

Total PCB/C membership has never risen above a few thousand, and the ranks of the more active party members have numbered only in the hundreds. An affiliated youth wing (JCB/C) provides some additional manpower, but the party has had difficulty holding younger members. Many have been attracted to the somewhat more action oriented ELN and have quit the PCB/C or JCB/C to join that group. The People's Republic of China has provided some funding for the PCB/C. This support was reportedly cut off in late 1970 following a disruptive feud caused by the Zamora's expulsion of Modesto Reynaga Gordillo and Jorge "Coco" Echazu Alvarado from the party. In mid-1971, however, Zamora claimed that Chinese support for the party had resumed.

### **The POR**

Bolivia's Trotskyist movement originated among exiles in Argentina in the mid-1930s. The Revolutionary Workers Party (POR) was a powerful force among mine workers and peasants from 1946 until 1952, but its influence then declined because of internal dissension and defections of key leaders to other parties. As with most Bolivian political groups, personal antagonisms have been mainly responsible for the splits in POR ranks.

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There are three discernible POR factions. The *Lucha Obrera* group is headed by Hugo Gonzalez Moscoso. A *Masas* faction is led by Guillermo Lora Escobar, and another much smaller *Lucha Obrera* group is headed by Amadeo Vargas Arze.

Violent revolution has long been a disputed issue among Bolivian Trotskyists. The Gonzalez faction apparently first approved an armed struggle strategy in 1965. In July 1969 the arrest and interrogation of party leader Jose Antonio Moreno Villegas disclosed a combined POR-ELN plan to initiate a guerrilla campaign. A number of the potential guerrillas were subsequently arrested. There is evidence that in 1969 the Gonzalez faction of the POR and the ELN had an alliance called the National Liberation Front (FLN).

The Gonzalez faction of the POR is recognized by the United Secretariat of the Trotskyist Fourth International, and has traditionally maintained close ties with the Argentine Trotskyist Revolutionary Workers Party (PRT) and its military apparatus, the Peoples Revolutionary Army (ERP). Financing, training, and support for the Gonzalez group has also come from Cuba.

After the revolt of August 1971 both the Gonzalez and Lora factions of the POR affiliated with the Chile-based Anti-Imperialist Revolutionary Front (FRA). The Gonzalez faction appeared to be associated with the more radical, violence-prone FRA components. Since 1952, membership in all Trotskyist factions has remained small. There are probably now less than 200 activists divided among the three groups.

#### **Subversive group—the ELN**

The Bolivian National Liberation Army (ELN) is the direct descendent of the guerrilla movement founded and led by Che Guevara in the area around Camiri from November 1966 until October 1967, when Guevara was killed and his guerrilla band all but eliminated.

In the latter part of 1968, Guido "Inti" Peredo Leigue, a survivor of Guevara's campaign and brother of the slain Roberto "Coco" Peredo, began to reorganize the revolutionary cadres. The resuscitated ELN planned to initiate a new guerrilla effort in late 1969, but its nascent urban-support network was broken up by government raids and arrests. Inti was killed during a police raid on an ELN safe-house in September 1969, and leadership of the ELN passed to another Peredo brother, Oswaldo ("Chato").

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The Ovando government failed to continue its predecessor's aggressive anti-guerrilla campaigns. Leftist members of the regime felt that the ELN could be persuaded to renounce violence in favor of supporting the new "revolutionary" government. Only later did it become clear that the ELN was still determined to make its own revolution. Instead of abandoning its goals and methods, the ELN used the period after Inti's death to regroup and rebuild.

On 19 July 1970 the ELN re-emerged. It overran a mining camp at Teoponte, north of La Paz, and announced that it was fulfilling its pledge to "return to the mountains." The government was forced to release ten ELN-associated political prisoners in exchange for two German mine employees taken hostage. But the guerrillas were soon put on the defensive, and counter-insurgent forces began to pick them off systematically. Chato Peredo was captured in October, and he and seven other survivors were granted safe conduct to Chile by the Torres regime.

In the wake of Teoponte, the ELN appeared to be re-examining its tactics. It warned the Torres government that it would continue the struggle and fight in the mountains and the cities. Mention of the cities as a theater of battle indicated that the ELN was considering urban terrorism as well as rural guerrilla activities. In January 1971, the La Paz press published Chato Peredo's campaign diary. Chato blamed the ELN's defeat on the guerrillas' lack of experience, military training, and ideological commitment. He claimed that although the ELN had lost a battle, the war would continue. Subsequently, ELN propaganda increasingly emphasized urban struggle, but the group has demonstrated only a limited capability for urban operations.

In May 1971 the ELN kidnaped a West German businessman. It was the first time the group had used this method to raise funds; \$50,000 was obtained. Chato Peredo reportedly returned to Bolivia in July 1971, but although the ELN participated in street fighting during the military-civilian revolt of August 1971, it was unable to prevent the defeat of the leftist forces.

The new anti-Communist Banzer government declared that there could not be "two armies" in Bolivia and vowed to destroy the ELN. The regime launched an aggressive anti-subversive campaign, and while the extent of damage to the ELN could not be accurately determined, it was clear that the group had been put on the run. The government charged that high-level officials of the previous regime had been allied with the ELN in a plot to kill their mutual opponents. The effort against the ELN continued into 1972

with raids on alleged safe-houses, the capture of over 100 individuals, and the seizure of large quantities of arms and equipment. But government claims that the group has been "eliminated" are probably premature.

The ELN's demonstrated ability to bounce back from serious defeats may be partly attributable to the considerable support and cooperation it has received from revolutionaries in other Latin American countries. Cuban aid has continued in varying degrees over the years. The Uruguayan Tupamaros are known to have provided training and advice, and have probably urged the ELN to concentrate on urban activities. Some Chilean political groups have provided limited aid to ELN members while they were in exile.

The total membership of the ELN is unknown. At the most, Che Guevara led 50 men, and the ELN's force at Teoponte was about 70 (including some students who actually belonged to other radical groups). The ELN has appealed especially to violence-prone students, and the University of San Andres in La Paz was at one time a center of ELN recruitment and support activity. After August 1971 the ELN made an apparently unsuccessful attempt to organize a broad front of extreme leftist groups under its leadership. It then joined the FRA and declared that the armed struggle would be waged in the countryside, the cities, and the mines. The Banzer government's pre-emptive actions have kept it on the defensive, however.

#### **Dissident insurgent movement**

Various Bolivian leftist groups papered over their differences to oppose the military-civilian revolt of August 1971. When Banzer nevertheless came to power, most leftists took refuge in Chile, a traditional haven for Bolivian refugees, and maneuvering for leadership of a united anti-government movement began.

The Anti-Imperialist Revolutionary Front (FRA) was announced on 14 November 1971 in a communique published in Santiago's Socialist and Communist press. Its ostensible membership included: "Revolutionary Members of the Armed Forces" (led by Major Ruben Sanchez), the PCB/S and PCB/C, the PRIN, the POR (Gonzalez and Lora factions), the PSB, the MIR, the ELN, and former President Torres. The front's proclaimed goal was the overthrow by armed struggle of the Banzer government and the establishment of a leftist regime. But the FRA was beset by most of the same personal and ideological differences that had kept its components from



working effectively together in the past. As of mid-1972 no direct action against the Banzer regime had been taken by the FRA, but disputes between moderates and extremists appeared to threaten the organization's existence.

The front's activities in Chile are tolerated by the Allende government, and front components receive minimal assistance from their Chilean counterparts. It is doubtful that the FRA measures up to Fidel Castro's pragmatic standards for extensive Cuban support, but FRA members may be receiving some paramilitary training in Cuba.

Unless the FRA can establish an effective, unified command and formulate a realistic plan of action, it will remain incapable of mounting a sustained campaign in Bolivia.

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ARMED FORCES

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## VI. ARMED FORCES

The Bolivian armed forces have been consistently ineffective against external foes. Ignominious defeats in the War of the Pacific (1879-84) and the Chaco War (1932-35) resulted in loss of the nation's seacoast to Chile and of extensive interior territories to Paraguay. Military orders still bear the legend "the sea is ours by right, to recover it is an obligation." But it is most unlikely that Bolivia will ever recover its lost territories by force.

The regular armed forces, which had been overwhelmed by armed civilians and the national police in 1952 were denigrated during the first few years of MNR rule. By 1964, however, the military had regained enough strength to overthrow the MNR. In the late 1960s, under President Barrientos, military prestige reached an all-time high. The armed forces proved their effectiveness against isolated internal insurgency by defeating Che Guevara's guerrilla band in 1967 and crushing another National Liberation Army guerrilla campaign in 1970.

25X6 [REDACTED] the Bolivian armed forces remain the single most cohesive institution in the nation. As demonstrated anew in August 1971, it is the military that ultimately determines Bolivia's political destiny.

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### Defense organization and manpower

As captain general, the president of the republic commands the nation's military establishment. He appoints the minister of defense, the commander in chief of the armed forces, and the three service chiefs. The president exercises direct command over an escort infantry regiment, and is assisted by a military household whose chief theoretically serves as a personal military adviser.

There have been several reorganizations of the high command in recent years. In July 1970 the position of commander in chief of the armed forces was abolished, and the three service commanders sat as a Supreme Council of National Defense. In March 1971, however, the minister of defense was given direct operational authority over the service commanders, a responsibility that had belonged to the commander in chief. The post of commander in chief was re-established following the military-civilian revolt of August 1971. The minister of defense reverted to his traditional logistic and support responsibilities, and a new post of subsecretary of national defense was

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created. Neither the minister nor his deputy exercises operational control over their nominal subordinates, the commander in chief and the service commanders. The high command is now defined to consist of the commander in chief, chief of staff, and inspector general of the armed forces.

Responsibility for inter-service coordination is ostensibly lodged in the Joint General and Logistic-Territorial Staffs. The Joint General Staff's activities are obscure and seemingly overlap with those of the equally little-used National Security Council. The Logistic-Territorial Staff is supposedly tasked with the over-all direction of military housekeeping and supply, but it exists mainly on paper. Each service has its own general staff, headed by a chief of staff and organized with the usual sections for personnel, intelligence, operations, and logistics. There are also staff sections for administration (G-5) and for military schools (G-6).

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The key military posts are the divisional, regimental, and battalion commands, especially in the La Paz area. Most command changes are made by annual promotion and reassignment orders issued in late December or early January.

The total armed forces manpower strength is about 17,000. A 3,900 man National Guard is essentially a police force, and although it assists in the maintenance of internal order, it has little military capability. The ability of the armed forces to defend the country against foreign aggression is minimal, and the Bolivian military is incapable of mounting significant offensive operations against neighboring countries. The armed forces can maintain internal security, provided they remain unified behind the government in power and are not faced with simultaneous outbreaks of rural and/or urban violence in several locations.

With about 14,500 men, the army is by far the dominant service, but is only half the size of the army in any neighboring state except Paraguay. About 3,500 professional soldiers (1,400 officers, 800 warrant officers, and 1,300 NCOs) are supplemented by conscripts normally inducted for one-year terms of service. Knowledgeable US observers have declared that the Bolivian Indian conscript is potentially a superior soldier.

The army is organized into eight divisions, seven combat and one training. Most of the combat divisions have three or four regiments divided

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among infantry, cavalry, and artillery. Regiments are normally composed of one active and one inactive battalion, the latter ostensibly to be activated in wartime. There is no organized reserve system, however. Conscripts who have left active service are technically reservists, as are some high-school graduates. The total for both categories is about 86,000 men. Actual divisional strength ranges from 400 to 2,200 men. Three of the divisional infantry regiments carry a ranger designation, denoting better manpower, training, and equipment than the other units. There are also several independent units directly subordinate to the army commander, as well as an army engineer command. The engineers are in the forefront of the armed forces' civic action programs, which are undertaken in line with the military's mission of contributing to the national economy. Army units are identified both by number and name. In mid-1972 a reorganization plan was in the first stages of implementation. The plan is designed to consolidate the army's combat strength into five armored, mobile, quick-reaction regiments.

Tension within the army arises from aggressive younger officers' ambitions to move into higher positions of leadership. Many of the army's lieutenant colonels, majors, and captains were commissioned after 1952, and harbor somewhat less antipathy toward the MNR than do older military men. The junior officers feel that many of their senior colleagues have discredited themselves, impaired the professionalism of the armed forces, and impeded the military's advancement as an institution. Under President Banzer, many less effective older officers have been forced into retirement, and younger men have been moved into many key troop commands.

The navy, created in 1966, has just over 1,000 men. It is the smallest river-lake force in South America. Infrastructure is marginal, combat vessels are non-existent, armament is inadequate, and communications equipment is limited. The force devotes most of its time and energy to supporting itself through commercial enterprises. Although it is inadequate for its assigned mission of controlling rivers and lakes, it is nevertheless important in its operational environment. The navy has emphasized civic action and has depended heavily on Argentine training and support.

The heart of the Bolivian Air Force is the World War II vintage F-51 Mustang-equipped combat group, stationed at El Alto Air Force Base near La Paz. It has eight combat-ready day fighters. Total air force personnel strength is about 2,500, of whom almost 200 are pilots. The air force is anxious to upgrade its aircraft inventory with jets, and the government is seeking to acquire jet trainers which can easily be converted into tactical fighters useful for close ground support. The air force's ability to provide

such support during the 1967 and 1970 guerrilla campaigns was hampered by limited capability for air-ground communication, but the service's airlift capability significantly contributed to the over-all success of these operations. The military air transport service (TAM) is run by the air force and is also used for profit-making enterprises. The air force's political clout is greater than its limited physical strength would indicate; overflying La Paz using machine guns and flares can be a potent psychological weapon.

### **Logistics and weapons systems**

The Bolivian armed forces lack most of the standard logistical tools of a modern military establishment. Shortages of trained technical personnel, spare parts, tools, lubricants, and cleaning materials hamper proper maintenance.

Arms, equipment, and transport are generally scarce and obsolescent. The US exerts the predominant foreign military influence, providing major items of military hardware through the Military Assistance and Foreign Military Sales programs. Argentina and Brazil have also supplied various items of surplus equipment, especially since August 1971.

### **Military budget**

In recent years the military budget has ranked third among the major categories of expenditures in the central government budget. Military appropriations average about 14% of the central government budget and about 1.7% of GNP. Actual expenditures may run higher, however.

### **Important Bolivian Military Units**

Number	Honorific Name	Location	Comments
1st Infantry Regiment	Colorados	La Paz	Includes presidential escort battalion
4th Cavalry Regiment	Ingavi	La Paz	
19th Mountain Infantry Regiment	Murillo	La Paz	also known as "Andino"



23rd Infantry Regiment	Max Toledo	Viacha	Mechanized
12th Infantry Regiment	Manchego	Santa Cruz	Ranger
1st Armored Regiment	Tarapaca	El Alto	Equipped with armored personnel carriers
26th Infantry Regiment	Barrientos	La Paz	prototype regiment in
5th Cavalry Regiment	Lanza	Guaqui	army reorganization plan

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FOREIGN  
RELATIONS

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## VII. FOREIGN RELATIONS

Between 1866 and 1938, Bolivia lost to its five neighbors almost half of its claimed territory. The loss of its seacoast to Chile nearly a century ago is still particularly rankling to Bolivians. In 1962, the long and bitter dispute with Chile became entwined with a new controversy over Chile's diversion of the Rio Lauca, and diplomatic relations between the two countries were severed. Contacts were maintained at the consular level, however, and trade relations continued. A rapprochement seemed possible in 1971, but whatever ideological affinity existed between the Chilean and Bolivian governments ended when Hugo Banzer assumed the Bolivian presidency. Bolivia has free commercial transit through Chile and uses the Chilean ports of Arica and Antofagasta, but Bolivian governments have consistently maintained that Chilean recognition of Bolivia's inherent right to sovereignty over a corridor to the sea is the indispensable prerequisite to the restoration of normal ties. In 1972, Chile denied a Bolivian charge that it was actively aiding exiled Bolivian leftists to organize a movement designed to overthrow the Banzer government. The same year Bolivia again took the diplomatic initiative on the seacoast question. Foreign Minister Gutierrez proposed giving Chile "non-territorial" compensation in return for Bolivian sovereignty over a route to the sea, suggested integration of Chile's northern provinces with Bolivia under the auspices of the Andean Pact, and called for the creation of a mixed commission to study the entire problem.

Brazil, Argentina, and Paraguay were troubled by Bolivia's leftward drift under Torres. They were cooperative hosts to exiled Bolivian military men, and bilateral relations naturally improved dramatically when Banzer came to power. Argentina and Brazil extended military and economic assistance to the new regime, and Banzer journeyed to meet with Presidents Lanusse, Stroessner, and Medici. Bolivia has traditionally had close ties with Argentina, but there remains some lingering distrust of Brazil and Paraguay. Bolivian-Peruvian relations have generally been cordial.

Bolivia's traditionally strong alignment with the free world was shaken during the Ovando and Torres regimes. An ultranationalistic, "revolutionary and anti-imperialist" foreign policy seriously strained relations with the US and helped open the way for broadened contacts with the Communist world. The first Soviet ambassador arrived in La Paz in April 1970, and the USSR later offered a \$27.5 million credit for mining and metallurgical equipment. Bolivia began to sell tin and zinc to the USSR, and Soviet technicians prospected for oil and looked into other possible areas of Bolivian-Soviet

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cooperation. Contacts between Bolivia and Eastern Europe also increased greatly during this period, and there was pressure from labor and student sectors for re-establishment of relations with Cuba.

The advent of the anti-Communist Banzer government changed this situation. There was an immediate cooling of relations with the Soviet Union. The Banzer regime was troubled by the size of the Soviet presence in La Paz, and finally expelled many of the Soviet diplomats in March 1972. The large Soviet credit offer remained open, however, and it was partially utilized later that year.

Although the Banzer government is a staunch friend of the Republic of China and a natural ideological antagonist of the Peoples' Republic, it recognizes that the latter's sale of antimony on the world market directly affects the Bolivian economy, and there are signs that Bolivia may seek to establish lines of communication with Peking.

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### VIII. US INTERESTS

Bolivia's tangible importance to the US is in most respects marginal. Remaining US investments are insignificant in terms of the US economy. The US is Bolivia's most important trading partner, accounting for about 30% of its exports and supplying over 30% of its imports, but this trade amounts to an insignificant percentage of US trade with Latin America as a whole. Nevertheless, Bolivia has received a disproportionate share of US attention and aid.

The US strongly supported Bolivian efforts to achieve the objectives of the national revolution. For nearly a decade after 1952, US assistance was rendered in the form of grant subsidies to cover Bolivian budgetary deficits. From 1949 to mid-1971 Bolivia received \$23 million in US military grant assistance, \$290 million in economic development grants, and \$206 million in development loans. Relations cooled during Victor Paz' second, increasingly authoritarian presidential term (1960-64), but improved under President Barrientos. The US provided training and materiel assistance to help the Bolivian armed forces crush Che Guevara's guerrilla band. A serious deterioration in bilateral relations began when President Ovando nationalized the Bolivian Gulf Oil Company in October 1969. Under President Torres the additional nationalizations, leftist occupations of bi-national centers, and the expulsion of the Peace Corps strained relations further, and there were no new commitments of US economic aid.

The advent of the Banzer regime signaled a return to amicable relations. Torres had accepted his predecessor's settlement with Gulf, but not until Banzer took over did the construction of an important gas pipeline, which will provide most of the revenue to compensate the company, move toward completion. The Banzer government also arranged for a joint venture with the former owners of the nationalized International Metals Processing Company and entered negotiations along the same lines with US Steel and Englehard Minerals, the former owners of the nationalized Matilde Mining Company.

The US responded to the Banzer government's need for immediate financial assistance. A \$2-million grant, a \$12-million program loan, and an \$8-million agricultural loan were approved in late 1971, along with an expanded Military Assistance Program. In September 1971 the US and Bolivia signed an agreement giving Bolivia another \$30 million in loans. The US, however, has strongly resisted again becoming involved in direct budget support.

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T A B L E S

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*No Foreign Dissem***IX. CHRONOLOGY AND TABULAR DATA****Chronology**

1825 August	Independence from Spain
1879-84	Bolivia loses Pacific seaboard to Chile in War of the Pacific.
1932-35	Bolivia loses large part of its claimed Gran Chaco lowland to Paraguay in Chaco War.
1943 December	Coalition of leaders of the MNR and the Cause of the Fatherland (RADEPA) stages revolt and deposes President Penaranda. Major Gualberto Villarroel, a RADEPA leader, is named president.
1946 July	Reaction against Villarroel's repressive regime culminates in a bloody uprising ending in the hanging of Villarroel.
1951 May	MNR presidential nominee Victor Paz Estenssoro wins plurality in election, but President Urriolagoitia turns over the government to a military junta pledged to keep the MNR from assuming power.
1952 April	Led by Hernan Siles Zuazo, MNR stages successful revolution with armed worker and police support; Paz returns from exile in Argentina to assume presidency.
1956 June	MNR candidate Hernan Siles Zuazo is elected president.
1960 August	Paz begins second term as president; Juan Lechin Oquendo is vice president.
1964 January	MNR convention nominates Paz for third presidential term and expels Vice President Lechin from the MNR.
March	Left sector of MNR breaks away, holds its own convention, and founds the Nationalist Leftist Revolutionary Party (PRIN), which nominates Lechin as its presidential candidate.
May	Paz is elected president and General Rene Barrientos Ortuno, vice president; all but two very minor parties abstain from election, claiming fraud.

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October	Student riots threaten stability of government.
November	Military revolt supported by students and miners ousts Paz government; Barrientos heads military junta.
1965 May	Leftist labor leaders are imprisoned and exiled. Army begins successful invasion of extremist-dominated tin mines.
1966 July	Barrientos is elected president with strong military and campesino support.
1967 February	New constitution is promulgated.
March-April	Guerrilla insurgency breaks out.
October	Capture and death of Che Guevara marks defeat of the guerrilla campaign.
1969 April	President Barrientos dies in helicopter crash. Vice President Luis Adolfo Siles Salinas takes over in constitutional succession.
September	Military coup ousts President Siles Salinas and installs General Alfredo Ovando Candia as president. Congress is dissolved.
1970 October	Coup led by General Rogelio Miranda Baldivia and military moderates ousts Ovando on 6 October. Next day General Torres, with leftist support, seizes the presidency.
1971 August	Military-civilian revolt, led by Colonel Hugo Banzer, ousts President Torres (22 August). The Nationalist Revolutionary Movement and the Bolivian Socialist Falange join the armed forces in forming the Nationalist Popular Front Coalition government.
1972 June	President Banzer formally opens national headquarters of the Nationalist Popular Front.
1972 August	Banzer government marks first anniversary of its coming to power.
1972 October	Government puts down worker protests over devaluation of the peso.

## TABULAR DATA

### Holidays and Significant Dates

1 January	New Year's Day
23 March	Abaroa Day (War of the Pacific)
1 May	Labor Day
5 June	Corpus Christi Day
6 August	Independence Day
18 August	Beginning of military-civilian revolt that brought Banzer government to power
12 October	Columbus Day
4 November	Anniversary of 1964 military coup
25 December	Christmas

### Selected Factual Data

#### LAND

Area: 424,000 square miles; 2% cultivated and fallow, 11% pasture and meadow, 45% urban, desert, waste, or other, 40% forest, 2% inland water (1967).

#### PEOPLE

Population: 4,832,000 males 15-49 1,145,000; 725,000 fit for military service; average number reaching military age (19) annually about 45,000  
Ethnic divisions: 50%-75% Indian, 20%-35% mestizo, 5%-15% white  
Religion: predominantly Roman Catholic  
Language: Spanish, Aymara and Quechua  
Literacy: 35%-40%  
Labor force: 1.9 million (1967); 69.1% agriculture, 3.3% mining; 9.6% services and utilities, 8% manufacturing, 10% other

#### GOVERNMENT

Legal name: Republic of Bolivia  
Capital: La Paz (seat of government); Sucre (judicial capital) Political subdivisions: 9 departments with limited autonomy  
Legal system: based on Spanish law and Code Napoleon; constitution adopted 1967; constitution in force except where contrary to dispositions subsequently dictated by succeeding governments; legal education at University of San Andres and several others; has not accepted compulsory ICJ jurisdiction  
Type: republic; de facto military-civilian coalition government by the Nationalist Popular Front

Branches: executive; congress of two chambers (Senate and Chamber of Deputies), congress disbanded after 26 September 1969 ouster of President Siles; judiciary

Government leader: President Hugo Banzer Suarez

Political parties: The Nationalist Revolutionary Movement (MNR) and the Bolivian Socialist Falange (FSB) form the governing coalition with the armed forces; other political parties, although numerous, are relatively inactive and exert little influence; leftist groups include the Nationalist Leftist Revolutionary Party (PRIN), Christian Democratic Party (PDC), Revolutionary Christian Democratic Party (PDCR), Socialist Party (PS), and Leftist Revolutionary Movement (MIR); other parties include the Authentic Revolutionary Party (PRA), Leftist Revolutionary Party (PIR), and Bolivian Nationalist Union Party (PUNB).

Voting Strength (1966 elections): Frente de la Revolucion Boliviana (a coalition composed of the MPC, PIR, PRA, PSD, and two interests groups, the campesinos and Chaco War Veterans) 61%, FSB 12%, MNR 10%, other 17%

Communists: three parties; PCB/Soviet led by Jorge Kolle Cueto, about 1,500 members; PCB/Chinese led by Oscar Zamora, 500 members (est.); POR (Trotskyist), about 200 members divided between faction led by Hugo Gonzalez Moscoso, Guillermo Lora Escobar, and Amado Vargas Arze.

Member of: IAEA, IADB, ICAO, International Tin Council, LAFTA and Andean Sub-Regional Group (created in May 1969 within LAFTA), OAS, U.N.

#### ECONOMY

GNP: \$1.4 billion (1971), \$290 per capita; 78% private consumption, 11% public consumption, 13% gross domestic investment, -2% net foreign balance (1970); real growth rate 1971, 3.8%

Agriculture: main crops—potatoes, corn, rice, sugar cane, yucca, bananas; imports significant quantities of foodstuffs including lard, vegetable oils, and wheat; caloric intake, 2,100 calories per day per capita (1966)

Major industries: mining, smelting, petroleum refining, food processing, textiles, and clothing

Electric power: 268,000 kw. capacity (1970); 792 million kw.-hr. produced (1970), 166 kw.-hr. per capita

Exports: \$175.4 million (f.o.b., 1971 est.); tin, petroleum, lead, zinc, silver, tungsten, antimony, bismuth, gold, coffee, and sugar

Imports: \$187.7 million (f.o.b., 1971 est.); foodstuffs, chemicals, capital goods, pharmaceuticals

Major trade partners: exports—U.K. 46%, US 39%, West Germany 5%, Argentina 2%; imports—US 41%, West Germany 12%, Japan 11%, Argentina 6% (1970)

Aid:

Economic—extensions from US (FY46-70) \$1,226.7 million in loans, \$298.5 million in grants; from international organizations (FY45-70), \$152.9 million; from other Western countries (1960-66), \$12.6 million; Communist countries (1954-71), \$55.5 million; military—assistance from US (FY58-70), \$23.9 million

Monetary conversion rate: 20 pesos=US\$1 (selling rate)

Fiscal year: calendar year

COMMUNICATIONS

Railroads: 2,310 miles, single track, mostly meter gage. All government owned except 60 miles of meter-gage track; 5.6 miles of meter-gage track electrified

Highways: 15,900 miles; 600 miles paved, 7,200 miles gravel, 1,600 miles improved earth, 6,500 miles unimproved earth

Inland waterways: officially estimated to be 6,250 miles of commercially navigable waterways

Pipelines: crude oil, 1,044 miles; refined products and crude, 888 miles; natural gas, 350 miles.

Ports: none (Bolivian cargo moved through Africa and Antofagasta, Chile, and Natarani, Peru)

Civil air: 28 major transport aircraft

Airfields: 500 total, 432 usable; 3 with permanent-surface runways; 1 with runway over 12,000 feet, 3 with runways 8,000-11,999 feet, 91 with runways 4,000-7,999 feet.

Telecommunication: poorest telecom facilities on continent, with local and intercity networks needing rehabilitation; almost 38,000 telephones; est. 750,000 radio and 10,000-15,000 TV receivers; 1 TV, 78 AM, and 16 FM stations; long-range improvement plans revised and partly implemented

DEFENSE FORCES

Personnel: 18,000; army 14,500, navy 1,000, air force 2,500 (200 pilots)

Major ground units: 8 divisions—strengths 400 to 2,200—major ground units are being reorganized to form 5 new mobile, combat regiments.

Ships: 3 small patrol craft, 14 small river transports

Aircraft: 80 (74 prop, 1 turboprop, 5 helicopters) in air force

Supply: totally dependent on foreign sources, primarily US, also Argentina and Brazil

Military budget: has averaged about 14% of central government budget

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## INTELLIGENCE AND SECURITY

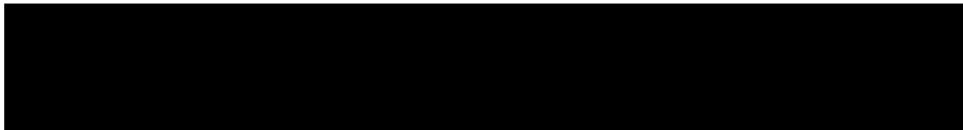
National Directorate of Investigation (DIN), police investigative; State Intelligence Service of the Ministry of Interior (SIE), domestic/foreign; National Intelligence Service (SIN), domestic/foreign; Department II of the Armed Forces Command, with equivalent sections under each of the service general staffs.

### National Intelligence Survey (NIS) Material

The following sections of the NIS are relevant:

NIS Area 93 (Bolivia)  
GENERAL SURVEY (October 1971)  
Sec 21 Military Geographic Regions (Mar 64)  
Sec 23 Weather and Climate (Jan 64)  
Sec 23S Meteorological Organization and Facilities (Feb 68)  
Sec 24 Topography (Feb 64)  
Sec 25 Urban Areas (Feb 62)  
Sec 32 Highways (Jan 61)  
Sec 33 Inland Waterways (Apr 56)  
Sec SC Social Characteristics (Dec 70)  
Sec 45 Health and Sanitation (Sep 67)  
Sec 53 Political Dynamics (May 58)  
Sec 56 Intelligence and Security (Aug 59)  
Sec 57 Subversion and Insurgency (May 67)  
Sec 58 Propaganda (Jun 56)  
Sec 61 Agriculture, Fisheries, and Forestry (Oct 70)  
Sec 62 Fuels and Power (Jan 59)  
Sec 63 Minerals and Metals (Apr 69)  
Sec GZ Gazetteer (Jul 55)

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### MAP

The best available general reference maps are: Servicio Nacional de Caminos, Bolivia. *Mapa Vial de Bolivia*, 1:2,500,000, 1972; CIA 78499 *Bolivia* 1:3,260,000 (Inserts: Population and Administrative Divisions, Vegetation, Economic Activity), 1971; Instituto Geografico de Agostini-Novara, Italy *Mapa de La Republica de Bolivia*, 1:3,000,000, 1958.

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